Cost of Government and Expenditure Management Study

Review of Federal and Provincial Cost-Containment Initiatives

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Department of Finance Canada
Ministère des Finances Canada

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Federal

1. Cost-Containment Initiatives: General Initiatives

Initiatives	Description	Context/Issues	Results/Assessment
Spending Control Act (1991)	Over the 1991-92 to 1996 period, the level of program spending cannot exceed, with some limited exceptions, the projections set out in the 1991 budget.	Secure the achievement of medium-term fiscal targets.	
Expenditure Control Plan (1990 and 1991)	The Expenditure Control Plan introduced in the 1990 budget was extended and expanded in the 1991 budget. Programs were either frozen, constraint or exempted from the plan. Programs constrained or frozen: - Non-wage operations and capital budgets for government departments frozen for 1991-92, followed by tight constraint on growth thereafter.	Achieve medium-term fiscal targets.	$15 billion in total saving through 1995-96.

Federal

1. Cost-Containment Initiatives: General Initiatives (continued)

Initiatives	Description	Context/Issues	Results/Assessment
Expenditure Control Plan (1990 and 1991) (continued)	- Subsidies and capital assistance, largely to business and interest groups, will be reduced by $75 million in 1991-92 and $125 million per year thereafter. - Establish Program Financing, PUITTA and grants to Telefilm Canada and the Export Development Corporation will remain frozen. - Canada Assistance Plan transfers to non-equalization receiving provinces will be subject to a growth ceiling of 5 per cent annually. - Funds for the Canadian Jobs Strategy will be reduced by $100 million in 1991-92 and funds for the Green Plan will be extended over six years instead of five.		

Federal

1. Cost-Containment Initiatives: General Initiatives (continued)

Initiatives	Description	Context/Issues	Results/Assessment
Defence	- 5 per cent growth cap for 1990-91 and 1991-92 (February 1990). - Reduction in spending (April 1989). - Reduction in real growth from 3 per cent to 2 per cent (February 1986).		Savings of more than $3 billion since 1986-87.
Unemployment Insurance Program	- 1990 UI reform. - November 1984 Expenditure and Program Review.		Savings of more than $2 billion since 1985-86.
Official Development Assistance	- Growth restricted to 3 per cent annually from 1992-93 onward. - Growth restricted to 5 per cent in 1990-91 and 1991-92. - Cash payments reduced in 1985, 1986, 1987, 1988 and 1989. - ODA-to-GNP ratio lowered in 1986 and 1984.		Savings of more than $5 billion since 1985-86.

Federal

1. Cost-Containment Initiatives: General Initiatives (continued)

Initiatives	Description	Context/Issues	Results/Assessment
Old Age Security and Family Allowances	- Proposed limited indexation of pensions in 1986. This measure was repealed after. - Since May 1985, the structure of these programs have changed to recover those transfers from higher-income Canadians.		
The 6 & 5 Program (1982)	A two-year ceiling was established on the indexing factors for a number of transfer programs as well as on the indexing of the PIT system. Wage increases were also limited to 6 & 5 per cent.	Period of declining real output, high inflation and interest rates and a rapidly growing federal deficit.	Reduced inflationary pressures.
"Guns of August" (1978)	The Prime Minister announced $2 billion in spending cuts including, cuts in family allowances, unemployment insurance, and other program spending.	End of the Anti-Inflation Program, a period in which unemployment was becoming an increasing concern.	

Federal

2. Cost-Containment Initiatives: Wages

Initiatives	Description	Context/Issues	Results/Assessment
Salaries of Members of Parliament limited. Ministers' pay frozen (1991)	Salary increases of MPs and Senators were limited to the lower of a) inflation minus 1 per cent or b) the average public service negotiated wage settlement. One-year pay freeze on Cabinet Ministers and the Prime Minister.	Control government spending, wage growth, and inflation pressures.	
Public Service wage increases limited (1991)	Wage increases for public service employees limited to 0 per cent in 1991 and no more than 3 per cent for the next two years.		Saving of $500 million is expected.
Salaries of public service managers frozen (1991)	The salaries of senior public service managers will be frozen in 1991-92.		
Salaries of public service employees	Since 1984, federal public wage settlements have been lower than those in other sectors and below the rate of inflation, contributing to reduce inflation pressures.		

Federal

3. Cost-Containment Initiatives: Employment

Initiatives	Description	Context/Issues	Results/Assessment
Expenditure Control Plan (1991)	The number of senior managers will be reduced by 10 per cent (475 persons).		
Public Service employment (1984-85 to 1990-91)	Public service employment has been reduced by 10,000 from 1984-85 to 1990-91.	Measures to improve efficiency in the government.	$1.5 billion in saving.
	Another 80,000 jobs have been removed from the public sector as a result of privatization and improved operations of Crown Corporations.		

Federal

4. Cost-Containment Initiatives: Privatization

Initiatives	Description	Context/Issues	Results/Assessment
	Since 1989, the federal government has privatized or dissolved more than 20 Crown Corporations: - De Havilland Aircraft. - Canadian Arsenals Ltd. - Canada Development Corporation. - Canadair. - Terra Nova Tel Inc. - CNCP Telecommunications. - Teleglobe Canada. - CN Hotels. - Air Canada. - Petro Canada.	Reduce government operating costs and improve efficiency and competitivity.	

Federal

4. Cost-Containment Initiatives: Privatization (continued)

Initiatives	Description	Context/Issues	Results/Assessment
	In the 1991 ECP, the federal government has announced that the following Crown Corporations will be privatized or dissolved: - Petro Canada International Assistance Corporation (PCIAC). - CN Exploration. - Telesat Canada.	Improve efficiency of government operations.	The proceeds from these initiatives will go to the Debt Servicing and Reduction fund.

Federal

5. Cost-Containment Initiatives: Management

Initiatives	Description	Context/Issues	Results/Assessment
Special Operating Agencies	Promote more commercial management of government services and improve cost-effective delivery of services.		
Other Initiatives since 1984	Limits on the inflation allowances of departmental capital and operating budgets.		Savings of $200 million in 1985-86, $500 million in 1986-87 and $250 million in 1987-88.
	Specific projects and expenditures eliminated:		
	- Construction projects delayed or cancelled.		Savings of more than $300 million.
	- Canadian Oil Substitution Program and Canadian Home Insulation Program.		Savings of more than $1.1 billion since 1985-86.
	- Petroleum Incentive Program.		Savings of $2 billion since 1986-87.
	- OSLO project.		Savings of $650 million over five years.
	- Canadian Exploration Incentives Program.		Savings of $800 million over five years.
	- Polar 8 Ice Breaker.		Savings of $350 million over five years.

Federal

5. Cost-Containment Initiatives: Management (continued)

Initiatives	Description	Context/Issues	Results/Assessment
Other Initiatives since 1984	Reduction of industrial and regional development programs.		Savings of more than $1.5 billion since 1985-86.
	Reduced payments to major Crown Corporations.		Savings of more than $4 billion since 1985-86.
	Operation and maintenance spending cuts.		Savings of more than $4 billion since 1985-86.
	Elimination or phase-out of certain postal subsidies.		$0.6 billion in saving over five years.
Parliamentary cuts since 1984	Studio used to produce MP programs for cable TV dropped.	Better management of public funds.	$0.3 million annual saving.
	Parliamentary restaurant cost recovery.		$0.7 million annual saving.
	Printing for MPs cut 20 per cent.		$1.2 million annual saving.
	Travel and Parliamentary Associations budgets cut 20 per cent.		$0.5 million annual saving.
	Two-year freeze (starting April 1990) on MPs' non-salary budgets.		$0.6 million saving.

Newfoundland

1. Cost-Containment Initiatives: Wages

Initiatives	Description	Results/Assessment
One year wage freeze (1991)	One year freeze for all government employees, executives, managers and Members of the House.	Savings of approximately $57 million.
Savings factor on salary costs (1988)	Enforced savings factor of 4 per cent on approved salary costs for all departments.	
Department salary budgets reduced (1984)	Salary budgets for temporary assistance and overtime reduced by 5 per cent.	
Wage freeze (1984-85)	Two year freeze on salaries.	
Wage restraint policy (1982 and 1983)	Limit on salary increases of senior civil servants to 5 per cent; also, freeze on salaries and allowances for Ministers and Members of House of Assembly. Salaries less than $13,000 were increased by 7 per cent; those between $13,000 and $18,000 were increased by 6 per cent and those greater than $18,000 were increased by 5 per cent. In 1983-84 these salary levels were limited to 6, 5 and 4 per cent respectively.	

Newfoundland

2. Cost-Containment Initiatives: Employment

Initiatives	Description	Results/Assessment
Employment Reduction (1991)	10-per-cent reduction in executives and managers. 1,300 permanent, 350 part-time and 350 seasonal employees are expected to be laid off. In addition, 500 vacant positions will be eliminated in government departments.	Net savings of $15.6 million.
Retirement program (1989)	Voluntary Early Retirement program in the public service.	Enforced saving factor increased over three year period to cover the cost of the program.
Elimination of positions (1988)	Elimination of 400 long term permanent positions that had been vacant for over 18 months.	Enforced saving factor.
Vacancies elimination (1985)	800 positions to remain vacant.	
Positions frozen and salary cost savings (1984)	Freeze 550 positions and salary costs of 150 additional through not filling vacant positions and selective layoffs.	
Positions frozen (1983)	Freeze of 450 vacant positions. Hiring freeze; temporary employment and overtime budgeted at or less than their previous year's levels.	
Restraint measure (1981)	Restraint in the provision of new positions.	

Newfoundland

3. Cost-Containment Initiatives: Management

Initiatives	Description	Results/Assessment
Pay equity adjustment deferred (1991)	Deferral of effective date from April 1988 to a current date; wage adjustment to be phased in over five years.	Savings of approxim[illegible] $25 million.
Government operation costs control (1990)	Spending on travels, supplies and operating items kept to minimum. Restructuring and downsizing of government departments.	
Delivery of local development programs (1990)	Establishment of a new corporation to deliver all local development and business programs through the combination of the Newfoundland and Labrador Development Corporation and parts of the department of Development.	Reorganization only.
Fleet of government vehicles reduced (1990)	Reduction in the fleet of government vehicles and freeze on the purchase of new vehicles.	$1.8 million saving.
Subsidies to power distribution phased-out (1989)	Subsidies to power distribution districts phased out over 3 years.	Savings of approximately $10 million per year.
Freeze on funding for various public services (1987)	Freeze at current level funding for water and sewer facilities, paving projects and new cost shared road construction.	
Subsidies for transportation eliminated or reduced (1985)	Eliminate subsidies for the Bonne Bay Ferry service and reduce the air passenger subsidy from 25 to 20 per cent.	

Newfoundland

4. Cost-Containment Initiatives in the Education Sector

Initiatives	Description	Results/Assessment
Cost Saving Measures (1991-92)	Management and administrative savings achieved through the integration of institutions resulting from the implementation of the White Paper on Post-Secondary Education. Reduced duplication of courses and eliminate low enrolment courses.	
Grants to Memorial University and school boards (budget 1984-85)	Grants to these institutions were constrained.	
Cost saving measures related to Education (budget 1983-84)	Borrowing requirement under Canada Student Loan program increased. Tuition fees increased for provincial colleges and vocational schools. Government subsidy on high school texts reduced from 75 per cent to 50 per cent of the cost.	

Newfoundland

5. Cost-Containment Initiatives in the Social Services Sector

Initiatives	Description	Results/Assessment
Review by the Senior Expenditure Review Committee (1988-89)	Special emphasis on operational review of the Departments of Social Services (and Public Works and Services).	

6. Cost-Containment Initiatives in the Health Sector

Rationalize the Health Care System (1991-92)	As part of the long term strategy, 360 acute care beds throughout the province were closed, 78 acute care beds were converted to long term care and underutilized acute care facilities converted to community clinics.	
Costs Saving Measures (1984-85)	As part of the interim strategy based on preliminary review of the Royal Commission on Health Care, maintain the budgetary allocations for hospitals and nursing homes at 1983-84 levels for one year with major hospitals in the St-John's area to be maintained at that level for three years.	

Prince Edward Island

1. Cost-Containment Initiatives: Wages

Initiatives	Description	Results/Assessment
Salary Freeze - MLA's and Ministers (1991)	Wage freeze for MLA's, Premier, Ministers and Legislative Assembly officials for 1991.	
Compensation Review Act (1983)	Negotiated settlements for all public employers and employees not to exceed 5 per cent of the average hourly rate of which not more than 40 per cent could be received in the first year. A limit of 2.5 per cent of the average hourly rate is set for increments and special adjustments. The act covered a period of 24 months from the expiry dates of Collective Agreements.	

2. Cost-Containment Initiatives: Employment

Early Retirement Program (1988)	Voluntary retirement program for employees 55 years of age and older.	Approximately 100 employees took advantage of the program.
Staff Reduction (1981)	Total workforce reduced by approximately 300 jobs, 100 of which were classified positions.	

Prince Edward Island

3. Cost-Containment Initiatives: Management

Initiatives	Description	Results/Assessment
Base Budget Reduction (1991)	Base Budget reduced by the projected savings from termination of MST.	
Government Reform Initiative (1990)	Establishment of a Cabinet Committee on Government Reform to take in-depth look at Government's operations and certain major programs.	
In-Year Restraint Measures (1989 and 1990)	In-year programs with freezes/restrictions on various operational accounts.	
Government Fleet Fuel Tendering (1987)	Processus to tender for credit card fuel purchases for government vehicles.	Approximately 6 per cent discount.
In-Year Restraint Measures (1984 and 1985)	In-year programs with freezes/restrictions on various operational accounts.	

Nova Scotia

1. Examples of Cost-Containment Initiatives: Wages

Initiatives	Description	Results/Assessment
Wage freeze for public employees (1991)	Two-year wage freeze for all employees of the public sector, municipal governments, colleges and universities, hospitals and school boards, Crown corporations, and judges of the Provincial and Family courts.	
Wage freeze for MLAs (1991)	The freeze already implemented on salaries for MLAs and Ministers in January 1991 will be extended for a further two years.	

2. Examples of Cost-Containment Initiatives: Employment

Early Retirement Program (1986-87) (1991-92)	Departments required to eliminate the equivalent number of early retirement positions from their budget.	
Civil Service Reduction (1991-92)	The 1991 Budget provided funding for 300 fewer staff than the previous fiscal year.	300 Civil Service positions not filled.

Nova Scotia

3. Examples of Cost-Containment Initiatives: Management

Initiatives	Description	Results/Assessment
Expenditure Growth Limits (1991-92)	Program spending is to grow by less than 2 per cent in fiscal years 1992-93 and 1993-94.	
Multi-Year Planning and Budgeting (1991-92)	A new planning and budgeting system designed to provide three year budget planning.	
Management Planning and Budget System (1979-80)	A modified zero-based budgeting system, which works in conjunction with a new financial accounting system for the Province.	
Municipal Operating Grants (1991-92)	Operating grants to municipalities were frozen at 1990-91 levels.	
Public Consultation Process (1991-92)	The Minister held a series of public consultations to review expenditure priorities.	
Out of Province Travel (1991-92)	New guidelines have been established to impose greater control of out of province travel budgets. The new policy restricts the number of officials who may travel at one time.	
Amalgamation of Government Departments (1991-92)	Streamlining of government departments by consolidating eight departments into four.	
Board and Commissions (1991-92)	Streamlining administration of various agencies and commissions.	

Nova Scotia

4. Examples of Cost-Containment Initiatives in the Education Sector

Initiatives	Description	Results/Assessment
Grants and Museums and Libraries (1991-92)	Froze operating grants to museums and libraries.	
Community College Tuition Fees	Tuition fees of $300 have been introduced at provincial community colleges.	

5. Examples of Cost-Containment Initiatives in the Health Sector

Children's Dental Program Co-pay (1991-92)	A co-pay provision of $3 per service was implemented.	
Children's Dental Program (1991-92)	The age limit on coverage for insured dental services was lowered from 14 to 12 years.	
Ambulance Subsidy Program (1990-91)	User fees for ambulance services were increased by $20.	
Special Social Assistance payments for seniors (1991-92)	These payments have been targeted to those receiving GIS and qualify as a result of a needs test.	
Seniors Property Tax Rebate (1991-92)	The Property Tax Rebate for seniors has been limited to $400 per year.	
Seniors' Pharmacare Program Co-Pay (1991-92)	A provision was implemented under the Seniors' Pharmacare Program to raise the co-pay from $3 per prescription to 20 per cent per prescription, with a minimum co-payment of $3.	

New Brunswick

1. Cost-Containment Initiatives: Wages

Initiatives	Description	Results/Assessment
Wage freeze (1991)	One-year wage freeze for all bargaining and non-bargaining employees in the civil service, schools, hospitals, nursing homes, Crown corporations, provincial boards and municipalities. A roll-back on the salary increases of the Premier, Cabinet Ministers and members of the Legislative Assembly retroactive to January 1, 1991.	Approx. $110 million.
Wage Freeze (1984-85)	Applied to Part I Civil Service Part II Teachers & Ed. Support Part III Health Care System A wage freeze produces annualized savings in the 3 per cent to 5 per cent range.	Approx. $60 million.

2. Cost-Containment Initiatives: Employment

Staff reduction (1991)	Elimination of 225 positions from normal staff turnover.

New Brunswick

3. Cost-Containment Initiatives: Management

Initiatives	Description	Results/Assessment	
General Administration Reduction	Across the Board reductions to inflation, Travel, Equipment, Computers, etc.	1991-92 1990-91 1989-90 1988-89 1987-88 1986-87 1985-86	$28 million. $15 million. $10 million. $10 million. $14 million. $ 9 million. $10 million.

4. Cost-Containment Initiatives in the Education Sector

		(thousands of dollars)	
Enrolment decline ratio of 1:30 Fiscal 1991-92 - $1,500,400	Reduction in FTE's due to enrolment decline (ratio of 1 FTE per 30 students)	2,379.7 (1992-93)	2,379.7 (1993-94)
Enrolment Decline Fiscal 1990-91-92 - $1,293,000	Decline of 1761 pupils in 1989-90; expect decline of 1860 pupils in 1990-91; application of 1.0 FTE for every 40 students, i.e., a reduction of 46.5 FTE	2,050.0 (1991-92)	2,050.0 (1992-93)
Teachers Fiscal 1989-90 - $1,100,000	Due to declining enrolment, the number of teachers in the system can be reduced and still allow for a slight improvement in the teacher-pupil ratio.	1,750.0 (1990-91)	1,750.0 (1991-92)

New Brunswick

5. Cost-Containment Initiatives in Health and Community Services Sectors

Initiatives	Description	Results/Assessment	
		(thousands of dollars)	
Hospital Services: Across Hospital of 2.5 per cent Fiscal 1991-92 - $12,500,000	Reduction represents a 2.5 per cent adjustment to the rate of growth of the Services Budget. Actual reduction $12,500.0 but $1,200.0 is being re-allocated to Public Health Initiatives. Revised rate of growth of Hospital Services Budget may be approximately 12.0 per cent.	13,062.5 (1992-93)	13,650.3 (1993-94)
PDP (10 per cent of Program) Fiscal 1991-92 - $6,530,400		6,824.3 (1992-93)	7,131.4 (1993-94)
Hospital Services Fiscal 1989-90 - $6,049,200	General funding reduction across the hospital system. Will result in hospitals being required to address cost savings through the major cost centre in hospitals, that being wages.	6,397.2 (1990-91)	6,752.7 (1991-93)
Patient Acuity Fiscal 1990-91 - $4,855,600	Agreement to remove funding for patient acuity; concern that this double counts the financial requirements of hospitals	10,099.6 (1991-92)	15,763.2 (1992-93)
Increase in charge for semi- and private rooms Fiscal 1991-92 - $3,800,000	Revenue to be shared between Government and Hospitals	3,990.0 (1992-93)	4,189.5 (1993-94)

New Brunswick

6. Cost-Containment Initiatives in Income Assistance

Initiatives	Description	Results/Assessment (thousands of dollars)	
Upgrading, Training and Placement Fiscal 1991-92 - $4,440,000	Reduction is based on major job creation effort in 1991-92 designed to provide an additional 1,500 jobs for Social Assistance Recipients.	5,324.0 (1992-93)	4,923.0 (1993-94)
Net Savings as a result of Job Access Program Fiscal 1989-90 - $3,795,900		3,970.6 (1990-91)	4,153.2 (1991-92)
General Reduction in Caseload Fiscal 1989-90 - $1,500,000	Evidence to date in that year suggested a general decline in caseload.	1,500.0 (1990-91)	1,500.0 (1991-92)
Special Needs Benefits Fiscal 1989-90 - $1,316,700	The budget for Medical Transportation, Household Furnishings, Various other items as well as the grants to the Community Volunteer Agencies were retained at the same levels as 1988-89.	1,377.3 (1990-91)	1,440.6 (1991-92)
LTEN, UT&P and Interim Fiscal 1990-91 - $1,310,700	Reduce inflationary factor from 4.6 per cent to 3.5 per cent.	1,371.0 (1991-92)	1,434.1 (1992-93)

Québec

1. Cost-Containment Initiatives: Wages

Initiatives	Description	Results/Assessment
Wage freeze and under-indexation (1992)	**Professional, technicians and other employees** - Collective agreements are extended and wages frozen from January 1 to June 30, 1992. - On July 1, 1992, salary scales will be increased by 3 per cent. - GST lump sum payment: a lump sum of one per cent has been paid since January 1, 1991 to those governed by agreements containing such a clause. The lump sum will continue to be paid until a new collective agreement is signed. **Management** - Salary scales are indexed at the rate of 2.5 per cent for the period from July 1, 1991 to June 30, 1992 and at a rate of 3 per cent thereafter.	
Wage Reduction (1982)	During the first quarter of 1983, the government reduced the compensation and enrichment already conceded under the labour contracts ending in December 1982. The recuperation of the wage increases was limited to those corresponding to the last six months of 1982 and were oriented more heavily to the higher income groups. Wages of non-unionized civil servants were frozen at their July 1982 level. From April 1, 1983 to December 31, 1983, wage scales were set according to their June 1982 level for higher wages ($37,000 and above). For the lowest wages, there was full indexation to the cost of living; however, indexation was gradually reduced to zero as wages reached $37,000. Blue collar workers received an additional 2 per cent increase in order to maintain parity with the private sector.	

Québec

2. Cost-Containment Initiatives: Pension Plans

Initiatives	Description	Results/Assessment
Under-indexation and other changes	- Pension benefits have been partially indexed (CPI - 3 per cent) as of July 1, 1982 for all employees. - The costs of the program are shared equally by employer and employees. Government contributions therefore dropped from 140 to 100 per cent of employees' contributions. - Indexation was made proportional to the number of months elapsed since retirement for new beneficiaries.	

3. Cost-Containment Initiatives: Other General Initiatives

Reduction of staff, under-indexation and elimination of activities	In the 1980s, the government implemented a series of measures to control spending: - reduction and control of staff of departments and certain agencies; - under-indexation of expenditures other than wages; - suspension, reduction or elimination of activities and additional attrition of staff where possible; - reduction of transfer expenditures in real terms for certain years.	

Québec

4. Cost-Containment Initiatives in the Education Sector

Initiatives	Description	Results/Assessment
Transfers of responsibilities from provincial government to school boards (1990-91)	The school boards became entirely responsible for the management and the funding of school equipment operations.	
Reduction in the number of admissible semesters under the "Régime des prêts et bourses"	These maxima are reduced for both the CEGEP level and all university cycles. For students at the Master's or Ph.D level, 25 per cent of the debt incurred will be forgiven if the student completes his degree within a reasonable time (2 years in a Master's program and 4 years in a Ph.D program).	
Increase in university tuition fees (1990-91)	For full-time students, tuition fees were increased by $350 per school year in 1990-91, and by another $350 from 1991-92 on.	
Increase of maximum loan under the "Prêts et bourses" program (1988-89, 1986-87, and 1982-83)	Loans were increased in order to reduce grants.	
Restrictions in universities' budgets (from 1982 to 1987)	The government imposed budgetary restraints on universities and under-indexed some basic non-wage subsidies.	
Introduction of a new funding system at the primary and secondary levels (1980-1981)	New block funding system determined mainly by historical data trends adjusted for inflation and student population growth.	
Under-indexation of grants to school boards (in the 1980s)	Grants to school boards and private institutions other than operating grants were regularly under-indexed.	
Increase in teaching responsibilities	In the 1980s, the teaching load and the number of students per class were increased.	

Québec

5. Cost-Containment Initiatives in the Social Services Sector

Initiatives	Description	Results/Assessment
Rise in the number of home visits to beneficiaries (since 1987)	- Visits to beneficiaries of income security programs were increased to ensure that benefits are paid to people who really need them.	
Reform of the income security system (gradually implemented between August 1989 and July 1990)	- The main objective was to increase the motivation to work. - A distinction was first made between people able to work and people with severe impediments to employment. - People able to work must demonstrate that they intend to take part in employability measures if they do not want to have their benefits cut. - The concept of spouse is now better defined, the concept of shared housing was extended to people who are not related and a parental contribution is applied in social aid scales. For example, there is a reduction in benefits of $93 a month (in 1991) for recipients who are able to work and who share a dwelling, to take economies of scale into consideration (the amount is indexed annually).	

Québec

6. Cost-Containment Initiatives in the Health Sector

Initiatives	Description	Results/Assessment
Control over professional remuneration	Three mechanisms have been implemented to limit the increase in professional remuneration: - the remuneration of general practitioners and specialists is subject to **tariff targets**: if their respective income is greater than the projected average income for a given period, it will be adjusted downward over the next period to respect the target. - the remuneration of dentists, optometrists and general practitioners is subject to an **individual ceiling**: individual remuneration should not exceed the predetermined ceiling on a quarterly basis. Any excess over this limit is subject to a reduction of two-thirds for excessive remuneration for dentists and three-quarters for general practitioners and optometrists. - Specific services are subject to **annual maxima** otherwise the excess over the limit is reimbursed in part only.	
Control over the number of physicians.	The government has limited the number of admissions in medicine faculties as well as the number of physicians in residence.	

Québec

6. Cost-Containment Initiatives in the Health Sector (continued)

Initiatives	Description	Results/Assessment
Control over reimbursement for drugs.	Drugs are usually reimbursed according to their unitary cost (i.e. their cost as indicated on a preestablished and periodically revised drug list). Only drugs designated on the list and prescribed by a physician or a dentist are free for designated groups. Lastly, only drugs on the drug list, prescribed by a physician, a medical resident or a dentist are free to eligible people. This list is published by the Régie de l'assurance-maladie and prepared by the Minister of Health and Social Services on the recommendation of the Conseil consultatif de pharmacologie. Although the list is revised annually, it was substantially amended at the beginning of each semester in 1982 when a number of drugs (drugs that do not by law require a prescription) were withdrawn from it.	
Policy concerning surplus\deficit of Health Care Centers.	Since April 1, 1986, health care centers are responsible for any deficit occurring in their operating budget. Any surplus occurring from normal operation stays with the center. Only surpluses occurring from a significant decline in activity level are transferred to the government. In case of deficits, health care centers are required to present a plan to equilibrate their operating budget.	
Control over borrowing requirements of Health Care Centers.	Health care centers are required to obtain an authorization from the Department of Health and Social Welfare before contracting any loan.	
Control over high technology equipment acquisition.	A financial contribution is required from health care centers: 50 per cent of the cost of any development projects has to be self-financed; for any replacement project this ratio is reduced to 20 per cent.	

Ontario

Cost-Containment Initiatives 1975-76 to 1991-92

Initiatives	Description	Results/Assessment
1992 Expenditure Management Initiatives	More open consultation on fiscal outlook and options before 1992 Budget. Strategies to manage public sector wage costs, and to involve employees and transfer partners in restructuring services.	
- Public service wages	Salaries frozen for MPP's (1991-92 and 1992-93), and for Deputy Ministers and more than one thousand other senior government officials and heads of agencies (1992). Agreement negotiated with Ontario Public Sector Employees Union for a 1 per cent wage increase in 1992 and 2 per cent in 1993, with improved employment security and other benefits.	
- Transfer partners	Reform and restructuring in major transfer sector (hospitals, schools, colleges and universities, and municipalities) in consultation with transfer partners and their employees: - Major transfer increases of 1 per cent in 1992, and 2 per cent in each of the following two years. - An additional $160 million available to major transfer partners in 1992-93 to further restructuring, particularly innovations in collective bargaining and service delivery. - Inflation increases for other transfer agencies also limited to 1 per cent for 1992-93.	

Ontario

Cost-Containment Initiatives 1975-76 to 1991-92 (continued)

Initiatives	Description	Results/Assessment
- Government restructuring	Acceleration of initiatives to streamline government operations and develop new approaches to customer service.	
	Non-salary operating budgets of ministries to be permanently reduced by 10 per cent by 1992-93.	
1991-92 In-Year Adjustments	Expenditures of approximately $850 million redirected in order to meet Personal Income Tax shortfall, increased social assistance requirements and other unavoidable expenditures. Major reductions include:	Deficit target for 1991-92 expected to be met despite major revenue shortfalls and expenditure pressures.
	- 5 per cent reduction in ministry operating budgets for items such as supplies and equipment, consulting services, travel, advertising and communications;	$100 million.
	- Ministries to absorb 1991 wage increases above 5 per cent from within their allocations;	$40 million.
	- Reductions and deferrals in capital spending;	$200 million.
	- A freeze on purchases of vehicles, furniture and consulting services;	$50 million.
	- One-time savings from delays and efficiencies in implementation of specific programs.	$460 million.
	Additional revenues generated by asset sales (e.g. SkyDome) and dividends from crown corporations and agencies.	$220 million.

Ontario

Cost-Containment Initiatives 1975-76 to 1991-92 (continued)

Initiatives	Description	Results/Assessment
1991 Budget Measures	Major policy changes to improve expenditure management.	
- Program review	Comprehensive review and evaluation of existing programs, in partnership with those who use and deliver services. Initial reviews include: - Ontario Drug Benefit Program - Operation of hospitals - Ontario Health Insurance Plan - Ontario tax Grants for Seniors - Ontario Legal Aid Plan - Social Assistance - Non-Profit Housing Programs - Ontario Court System - Optimizing the Use of Government Assets - Regulatory Agencies and advisory Bodies - Ontario Government Relocation Program - Consulting and Professional Services - Communication and Advertising Resources - Organizational Streamlining - R & D Funding/Industrial Assistance - Community Economic Development Programs - Assistance to Agriculture - Ontario Student Assistance Program - Municipal Assessment Services - Water & Sewer Services - Non-Tax Revenue	21 reviews initiated in 1991-92.

Ontario

Cost-Containment Initiatives 1975-76 to 1991-92 (continued)

Initiatives	Description	Results/Assessment
- Multi-year fiscal plan	A three-year fiscal plan to reduce the deficit from $9.7 billion in 1991-92 to $7.8 billion in 1994-95.	
- Treasury Board	Creation of a Treasury Board to improve expenditure management.	
- Capital budgeting	Creation of a separate capital budget to focus on strategic planning of capital expenditures.	
- Ontario Health Insurance Plan	Agreement between the Ontario Medical Association (OMA) and the Government of Ontario to introduce a management system emphasizing quality and cost-effectiveness. The agreement includes ways of identifying and limiting spending on services that are not essential, without limiting access to health care.	1991-92 savings expected to total $260 million, and increase to $570 million by 1993-94.
	Policy changes to ensure that payments for out-of-country health services reflect the cost of services in Ontario.	
- Ontario Drug Benefit Plan	Tighter controls on reimbursement for drugs, more comprehensive guidelines for prescribing drugs, and more objective evaluations of new drugs.	
- Operating constraint	Ministry direct operating budgets (excluding salaries and wages, employee benefits and essential services) constrained to a 2 per cent increase.	$60 million below expected 5 per cent increase.
- Program reductions	Various program reductions and administrative efficiencies.	$87 million.

Ontario

Cost-Containment Initiatives 1975-76 to 1991-92 (continued)

Initiatives	Description	Results/Assessment
1990 Budget Measures		
- 3-per-cent restraint	During the 1990-91 expenditure allocations process, a three per cent restraint was imposed on ministries. The funds were excluded from their preliminary allocations sent out in December 1989.	
- Management of wage settlement	Ministries were also expected to absorb/manage the difference between actual salary and wage settlements and the 4 to 4.5 per cent cost escalation provided in the allocations.	Saving of $105 million.
- Additional savings	The 1990 Budget also identified an additional expenditure savings and constraint.	Target of $300 million achieved in-year.
1989 Budget Measures		
- Management of wage settlement	Ministries expected to absorb/manage the difference between actual salary and wage settlements and the 3.5 to 4 per cent cost escalation provided in the budget allocations up to a level of 5 per cent.	Saving of $86 million.
- Expenditure saving	In addition, the 1989 Budget announced an expenditure savings and constraint target of $200 million.	

Ontario

Cost-Containment Initiatives 1975-76 to 1991-92 (continued)

Initiatives	Description	Results/Assessment
- Requirements for program evaluation	In 1989, an activity review directive and guideline came into effect with mandatory requirements for program evaluation. As a result, most ministries now have an infrastructure in place to undertake activity reviews. In addition, over 100 ministry program reviews have been undertaken since 1986 for areas such as vehicle fleets, travel, publications, toll-free telephones and government laboratories.	Targeted saving achieved.
1988 Budget Measures	Expenditure savings and constraint target of $500 million announced.	$500-million target achieved
- Administrative overhead provision	The 1988-89 provision for administrative overhead other than salaries, wages and benefits was frozen at the lower levels achieved by the 1987-88 across-the-board reduction. Provincial institutions such as psychiatric hospitals and jails were excluded from this measure.	
1987 Budget Measures	Expenditure savings and constraint target of $350 million announced.	Target achieved largely through ministry specific cash-flow savings.

Ontario

Cost-Containment Initiatives 1975-76 to 1991-92 (continued)

Initiatives	Description	Results/Assessment
1986 Budget Measures		
- Capital Expenditure planning	Implementation of a more comprehensive approach to capital expenditure planning. Management Board of Cabinet would now coordinate Ontario's capital and other investment plans. Each ministry would submit a multi-year capital plan identifying future needs and report on the impact of new capital spending on operating costs.	
- Lottery revenues	Lottery revenues would no longer be designated for specific programs. They would now be used for such priorities as cancer treatment, community hospitals and university research, as well as for community recreation and cultural activities.	
- Expenditure allocation process	During the expenditure allocations process, a reduction exercise of $200 million was undertaken consisting of 1.5 per cent on salaries and wages, 3 per cent on ODOE and other reductions. In addition, the 1986-87 expenditure allocations included the annualized impact of the in-year constraint imposed in July of 1985.	
1985 Budget Measures		
- Streamlining of activities	Proposition to streamline some agencies, to consolidate certain government functions and to divest a number of Crown corporations.	

Ontario

Cost-Containment Initiatives 1975-76 to 1991-92 (continued)

Initiatives	Description	Results/Assessment
- Activity review	An ongoing government activity review was announced which applies to ministries today. This review has the longer term focus of increasing the awareness of the need to do program evaluation on an on-going basis. Program review is no longer seen as part of a constraint exercise but instead as a means of rationalizing resource allocation and setting priorities. Attention has been redirected to the relevance of program mandates and the effectiveness of programs to deliver their mandates.	
- Expenditure constraint	In July 1985, a $250 million expenditure constraint was imposed in-year to fund new government priorities. The constraint was composed of: - 1.5 per cent on salaries and wages; - 3.0 per cent on other direct operating expenditures (ODOE); - year-end savings of $30 million; and - other reductions amounting to $170 million.	
1983 Budget Measures		
- Limited increase in Provincial Funds	Recipients of Provincial funds should not anticipate future increases at levels above, or even at, the rate of inflation.	

Ontario

Cost-Containment Initiatives 1975-76 to 1991-92 (continued)

Initiatives	Description	Results/Assessment
- Program review	A program review was announced and led by Management Board Secretariat a 10 per cent reduction target was established for each ministry based on 1982-83 expenditure levels.	Expenditure savings of $219 million were approved with a four year phase-in. The majority of savings were productivity improvements, project deferrals or small percentage cutbacks in operating funds.
1982 Budget Measures		
- Limited increase in wages	Salary adjustments for senior civil servants and members of the legislature would be limited to 6 per cent.	
- Limited compensation increases	In addition, the Initiation Restraint Program held the cost of Government down by limiting compensation increases to five per cent for employees in the broadly-defined provincial public sector and placed restrictions on price increases set or directly authorized by Ontario ministries or agencies.	
1981 Budget Measures	A review of major transfer programs was announced including health and OHIP, institutional health, legal aid, income support, local transfers and post secondary education.	

Manitoba

1. Cost-Containment Initiatives: Wages

Initiatives	Description	Results/Assessment
The Public Sector Compensation Management Act (Bill 70) 1991-92	Bill to maintain public sector wages at their current level for one year.	
Amendments to Legislative Assembly Act (Bill 33) 1991-92	Bill to freeze MLA salaries at their current rate, reduce MLA constituency and access allowances by 10 per cent, prohibit MLAs from retaining any property purchased at taxpayers' expense when they cease to hold office, and reduce the number of pieces of literature each MLA may print and mail out at government expenses from 3 pieces to 2 per year.	
The Legislative Assembly Amendment Act (Bill 105) 1990-91	Bill to roll-back MLA allowances saving $500,000.	
1989-90	Natural Resources Parks branch implemented a reduced week, four day work week.	
In year Expenditure Management 1988-89	Approval of employee paid parking program.	Implemented in September, 1990.

Manitoba

2. Cost-Containment Initiatives: Employment

Initiatives	Description	Results/Assessment
Staffing Restraints 1991-92	Ministers delegated staffing authority in a limited number of situations (critical health and safety positions in provincial institutions; decentralized positions; maternity leave replacements; employees placed from the re-employment list; term extensions; summer students). Treasury Board approval required in all other situations. 5 per cent vacancy rate requirement temporarily suspended.	
Staffing Restraints 1990-91	Staffing freeze in all but a limited number of situations (critical health and safety positions in provincial institutions; decentralized positions; maternity leave replacements; placement of individuals from the re-employment list; term extensions to the end of the fiscal year).	
Staffing Restraints 1989-90	Departments were to maintain a vacancy rate of 5 per cent.	

Manitoba

3. Cost-Containment Initiatives: Management

Initiatives	Description	Results/Assessment
Fleet Vehicle Reduction 1991-92	During the Estimates process Treasury Board directed that the size of the vehicle fleet be reduced by 200 units. Departments are directed to review their requirements and identify vehicles for reduction.	
Estimates Process 1991-92	New estimates process focusing decision making on four broad sectors rather than on individual departments. Programs were categorized into one of three categories based on degree of priority (A - fundamental to either the economic or social requirements of the Province; B - priority programs that are criteria driven and can be altered to achieve a more cost effective outcome; C - all other programs). Plans were developed for each sector, based on target expenditure levels, by committees made up of deputy ministers. Target expenditure levels were based on costed out Category A programs, 90 per cent of the previous year's adjusted vote for Category B and 59 per cent of the previous year's adjusted vote for Category C. Funding levels could be shifted up (ie. Category B to Category A) but not down. The plans were then presented to ministerial committees, also grouped by sector, and then to Treasury Board for review and approval.	Reduction in staffing of 958 positions, or about 5 per cent of the provincial civil service resulting in actual layoffs of 375-450 full-time civil servants. Reduction in government communications resources, administration and executive level support saving $4.4 million. Moderation in public sector wage negotiations with growth capped at 3 per cent. Provincial grants reduced by $11,966,100; 71 grants reduced from previous years allotment and 37 grants withdrawn.

Manitoba

3. Cost-Containment Initiatives: Management (continued)

Initiatives	Description	Results/Assessment
Estimates Process 1990-91	Departments given target expenditure levels and required to develop target adjustment plans to meet the expenditure targets. Price and volume increases only in essential program areas (health, social allowances, etc.). No general price increases allowed. No increases in general purpose grants. Grants to external agencies responsible for the delivery of government programs costed the same way as departmental programming.	
Public Debt 1989-90	Conversion of off-shore debt (Swiss Franc, Deutsch Mark) to Canadian and U.S. dollar denominated debt to reduce foreign currency exposure.	
Energy Rate Stabilization Act 1989-90	Termination of program that stabilized hydro rates to Manitobans by funding Manitoba Hydro's foreign exchange risk.	Shift of foreign exchange risk to Hydro ratepayers.
Estimates Process 1989-90	No inflationary increases for operating expenditures, no increase allowed for general purpose grants, budget reduction options exercise of 5 per cent of department programming.	

Manitoba

3. Cost-Containment Initiatives: Management (continued)

Initiatives	Description	Results/Assessment
Privatization/Divestiture 1989-90	Sale of Gimli Industrial Park Subdivision to Rural Municipality of Gimli. Transfer of Hecla Island Golf Course to Venture Manitoba Tours. Closure of some provincial park facilities, contracting out maintenance activities. Transfer of Micrographic Services to private sector. Discontinue Small Pressure Vessel inspection program, onus to fall on private sector.	
Budget Address (August 88) 1988-89	The size of Cabinet was reduced. The Department of Cooperative Development was consolidated with the Department of Consumer and Corporate Affairs and Industry, Trade and Technology was consolidated with the Department of Business Development and Tourism. Jobs Fund programming was transferred to delivery departments and duplication of services was eliminated.	
Estimates Process 1988-89	A 3 per cent increase was provided to external agencies responsible for delivery of government programs while general purpose grants to external agencies were held at 0 per cent. Departments had to accommodate general price increases through internal reallocations. Departments through a reduction option review exercise were required to identify lower priority programming equivalent to a minimum of 15 per cent of the 1987-88 vote over a three year period with at least a 5 per cent savings achievable in 1988-89.	

Manitoba

3. Cost-Containment Initiatives: Management (continued)

Initiatives	Description	Results/Assessment
Estimates Process 1988-89 (continued)	A Corporate Accommodation Planning Branch was established in Government Services to review all departments capital projects and long term accommodation requirements.	
	Farm Fuel Border Dye Program was eliminated.	
	A full cost recovery system was implemented for warehousing operations in the Material Supply Branch.	
	Streamlining of management in 13 departments through consolidation of positions and reduction in layers of management.	Elimination of 21 positions resulted in a savings of $1.3 million.

Manitoba

4. Cost-Containment Initiatives in the Education Sector

Initiatives	Description	Results/Assessment
Review of relevancy to today's job market of programs of study offered by Community Colleges 1991-92	Rationalization of services and elimination of programs that no longer provide maximum benefits to the public.	96 positions eliminated with savings of $3.9 million.
Internal Reform - Community Colleges 1991-92	Internal reorganization of the administrative function, at community colleges.	30 positions eliminated with savings of $1.6 million.
Review of mandate of Program Development and Support Services 1991-92	Refocused and reshaped to a broader form of curriculum policy leadership.	7 positions eliminated with savings of $350,000.
Refocus of the Curriculum Development and Implementation Branch 1990-91		
Estimates Process 1988-89	The tax remittance dates were changed for Education Levies collected by Municipalities.	

Manitoba

5. Cost-Containment Initiatives in the Social Services Sector

Initiatives	Description	Results/Assessment
Review of Day Care Funding Structure 1991-92	Changes to the funding structure of child day cares to reduce the gap between the cost of care and the amount parents actually pay.	
Internal Reform - Department of Family Services 1991-92	Reduction in staffing in regional offices (no offices closed and all services maintained).	Savings of $563,000.
Reduction in employment preparation program (Career start) 1991-92	Reduced level of intake and equalization of the wage subsidy to one-half of minimum wage across all employer sectors.	Savings of $2,888,600.
Reduction in uptake in Child Related Income Support Program (CRISP) and income supplement for seniors (55 Plus) 1991-92	Benefits and criteria maintained at the previous year's level (not indexed).	Savings of $1.5 million.
Child and Family Services Agencies review 1991-92	Administrative functions of six Winnipeg Child and Family Service agencies combined.	Deficit reduction.
Reduction in Student Temporary Employment Program (STEP) 1990-91	Student Temporary Employment Program (STEP) to be funded by departments with no increase in departmental budgets.	

Manitoba

5. Cost-Containment Initiatives in the Social Services Sector (continued)

Initiatives	Description	Results/Assessment
Adjustments to Social Allowances: 1990-91		
- Health Services	Rationalization of drug benefits for non-prescription drugs.	
- Basic Allowance	Lowered for first 3 months of enrolment.	
Rationalization and reduction in Regional Employment Services 1990-91		
Seniors Rental start Program 1989-90	Discontinued preferential financing rate previously available, reduced loan forgiveness from 10 per cent to 5 per cent.	
Critical Home Repair Program 1989-90	Discontinued loan forgiveness portion of program.	

Manitoba

6. Cost-Containment Initiatives in the Health Sector

Initiatives	Description	Results/Assessment
Internal Reform - Department of Health and Manitoba Health Services Commission 1991-92	Reorganization of Department of Health and amalgamation with MHSC.	16 senior and middle management and 5 administration positions eliminated with savings of $1.2 million.
De-insured medical services for various cosmetic services 1991-92	Tattoo removal, contact lens fitting and reversal of sterilization de-insured.	Savings of $2 million.
Changes to the Children's Dental Program 1991-92	Reduction of the top age groups eligible.	Savings of $500,000.
Changes to hearing evaluation services 1991-92	Focused on pre-school age children.	Savings of $250,000.
Changes to northern patient transportation services 1991-92	Implementation of a $50 fee for northern patient elective transports.	Savings of $221,000.
Internal Reform - Alcoholism Foundation of Manitoba 1991-92	Restructuring and elimination of duplication with no impact on service delivery.	Savings of $500,000.

Manitoba

6. Cost-Containment Initiatives in the Health Sector (continued)

Initiatives	Description	Results/Assessment
Adjustments to Pharmacare: 1990-91	Introduction of a formula to provide for an automatic adjustment of the Pharmacare deductible in line with the Winnipeg Consumer Price Index for the previous year.	
- Deductible Increases		
- Eligible Drug Benefits	Reduction and rationalization of eligible drug benefits.	
- Establishment of a cost-benefit advisory committee	Committee would determine the cost/benefit effectiveness of drugs and facilitate more stringent regulation and auditing of drug costs prior to Pharmacare payment.	
Pharmacare Program 1989-90	Increased deductible levels by 4.1 per cent and pegged future deductible increases to the Consumer Price Index.	
User Charges 1989-90	Increased semi-private/private room rates by 10 per cent. Increased resident charges by 20¢/day.	
Estimates Process 1988-89	Resident charges in Personal Care Homes were increased by 30¢/day per quarter effective August 1, 1988.	
	Charges for semi-private rooms in hospitals were increased by $2.80 per day a 12.6 per cent increase	
	Out of Canada hospital payments restricted to a maximum per diem.	
	A standard lab form was introduced on October 1, 1988.	
	Pharmacare deductible increased by $25 for under 65 and $10 for over 65.	

Manitoba

7. Cost-Containment Initiatives: Other

Initiatives	Description	Results/Assessment
Amendments to The Law Society Act 1991-92	Amendments would require the Law Society to cost-share legal library services.	Savings of $163,000.
Changes to pay rates for correctional officers 1991-92	Pay rates reduced by one-half while correctional officers are in training.	Savings of $161,000.
Internal Reform - Department of Natural Resources 1991-92	Elimination of in-house sewer and water services and reduction of design, drafting and field services (services available in the private sector).	13 positions eliminated.
	Reduction of engineering and water services to rural municipalities, local government districts and conservation districts.	24 positions eliminated.
Closure of 3 single person regional services offices and reduction in staff at 7 larger ones	10 positions eliminated.	
	Elimination of the Beach Patrol Program at 6 locations.	Savings of $197,000.
	Staggered winter layoffs for periods of 1 to 6 months re-instituted for seasonal parks maintenance staff.	
Internal Reform - Department of Rural Development 1991-92	Reduction in the design and development function and maintenance activities of the Manitoba Water Services Board (services available in the private sector).	9 positions eliminated.

Manitoba

7. Cost-Containment Initiatives: Other (continued)

Initiatives	Description	Results/Assessment
Reduction in the highway construction and maintenance program 1991-92	Transfer of 2,000 km of secondary roads to the municipalities.	96 positions eliminated.
Divestiture of activities to the private sector 1991-92	Feed Analysis and Soil Testing laboratories, and the Drug Centre and the Semen Centre, divested.	16 positions eliminated (transferred to the private sector).
Internal Reform - Department of Agriculture 1991-92	Consolidation of regions from 5 to 4 without diminishing services in rural Manitoba.	
	Amalgamation of the administration of the Milk Prices Review Commission, the Manitoba Farm Lands Ownership Board, the Natural Products Marketing Council and the Farm Machinery Board.	4 positions eliminated with savings of $143,000.
Transfer of responsibility for energy conservation programs 1991-92	Programs transferred from Department of Energy and Mines to Manitoba Hydro.	
Elimination of the Rural Residential Rehabilitation Assistance program 1991-92		Savings of $800,000.
Elimination of the Seniors Rental Start program 1991-92		Savings of $517,000.

Manitoba

7. Cost-Containment Initiatives: Other (continued)

Initiatives	Description	Results/Assessment
Change from provision of own security to use of private security firms 1991-92	Private security firms used in some government buildings in Winnipeg.	13 positions eliminated with savings of $243,000.
Internal Reform - Civil Service Commission 1991-92	Increase in recoveries for training, consulting and brokerage services with no corresponding increase in departmental budgets.	Increased recoveries of $700,000.
Change in the court reporting function 1991-92	Transcribing function transformed to in-house plus fee-for-service; eliminated all but CAT Court Reporters and introduced electronic monitoring.	28 positions eliminated.
	Transcriptions now sold by Department (previously sold by Court Reporters).	Revenues increased by approximately $300,000.
Elimination of provincial support to the Residential Rehabilitation Assistance Program 1990-91		
Change in private bar tariffs paid by Legal Aid 1990-91	Reduction in private bar tariffs for guilty pleas for less serious criminal offences handled by Legal Aid.	
Establishment of one Housing Authority in the province 1990-91	Establishment of the Manitoba Housing Authority to replace 98 housing authorities throughout Manitoba.	

Manitoba

7. Cost-Containment Initiatives: Other (continued)

Initiatives	Description	Results/Assessment
Withdrawal of Segment of General Insurance Division 1990-91	Transfer of personal and commercial property and liability insurance from Manitoba Public Insurance Corporation to a private insurance company.	
Reduction in training offered within the civil service 1990-91	Training function of the Civil Service Commission reduced to concentrate on courses related to provincial policy issues.	
Transfer of Civil Service Commission administrative function 1990-91	Internal administrative and management support services transferred to Department of Finance.	
1989-90	Reduction of cleaning schedules in downtown Winnipeg offices. Consolidation of land acquisition activities to one department from four. Centralize provincial Housing Authority banking function within the Department of Housing.	
	Various departmental reorganizations and administrative consolidations. Mail processing automation and telephone line review and reduction.	
	Treasury Board direction to curtail all discretionary expenditures for last quarter of fiscal year.	
	Treasury Board direction for Government Services review of all departmental request for services.	

Saskatchewan

1. Cost-Containment Initiatives: Wages

Initiatives	Description	Context/Issues	Results/Assessment
Limited increase on wages (1991)	Wage and compensation increases are not to exceed 4 per cent for this year and 2 per cent for the next two years.	Part of the six-point financial plan for deficit elimination by 1993-94.	Recent settlements have met guidelines or have been rejected.
MLAs wage freeze (1991)	Wage freeze continues for Cabinet Ministers and Legislative Secretaries; MLAs salary frozen until budget balanced.	Expenditure control must start at the top.	Public reaction very positive; limited savings.
MLAs severance packages eliminated (1991)	Severance packages (up to one year's salary) eliminated for all current MLAs.	Expenditure control must start at the top.	Public reaction very positive; limited savings.
MLAs wage freeze (1990)	Salaries of Cabinet Ministers and Legislative Secretaries rolled back to previous year's level.	Expenditure restraint must start at the top.	
Public service wage freeze (1987)	Public employee' wage increases held at 0 per cent for two years.	Direct and indirect wages represent the majority of spending.	Settlements were held at 0 per cent for two years. Some of this was made up in successive years.
MLAs wage freeze (1985)	0 per cent increase for MLAs and public service managers for the second year.	Set example for the remainder of the public service.	Public sector wage settlements were held below the private sector.

Saskatchewan

2. Cost-Containment Initiatives: Management

Initiatives	Description	Context/Issues	Results/Assessment
Budget reduction and programs elimination (1991)	Budgets reduced for 14 departments or agencies.	Freezing budgets forces administrative savings.	Internal government operating costs are $110 million lower than in 1985-86.
	Elimination of specified assistance and investment programs.	The government and the public want to reduce grants and rebates.	Savings of $9.3 million annually.
	Reduction of Urban and Rural Revenue Sharing grants and a 3.5 per cent ceiling on operating grant increases for health and education third parties.	Third party grants represent almost half of total spending. They must also be part of expenditure control.	
Programs reduction (1990)	Reduction in the Municipal Capital Program and in funding for road construction.	Reduce costs in selective programs.	Saving of $17 million extended into future years.
	Cancellation of the Home Improvement Program.	Reduce grants and rebates.	The three initiatives together will save $250 million over the next two years.
	Mortgage protection plan subsidy reduced.	Reduce grants and rebates.	
	Elimination of the Fuel Tax Rebate Program.		

Saskatchewan

2. Cost-Containment Initiatives: Management (continued)

Initiatives	Description	Context/Issues	Results/Assessment
Budget reductions (1989)	0 per cent increase or reduction in 12 government department budgets.	Constrain administrative costs.	
Budget reductions (1988-89)	11 government departments and agencies get budgets reduced.		
Transfers frozen (1987)	Third Party grant increases at 0 per cent.	Third parties must also be part of expenditure control.	Grants were held to 0 per cent but some of this was made up in successive years.
	Establishment of Property Management Corporation.	Establish an entity to control all government assets. Implement amortization for government and third party capital.	Capital expenditures matched to the useful life of the project. Savings during first four years.
Budgets frozen (1987)	No increased budget for 14 departments; 9 departments streamlined and amalgamated.		

Saskatchewan

2. Cost-Containment Initiatives: Management (continued)

Initiatives	Description	Context/Issues	Results/Assessment
Program rationalization (1987)	104 programs terminated and 72 others significantly downsized.	Reduce the size of government.	Overall Budget reduced by 4.8 per cent from the previous year.
Budgets frozen (1985)	Three-quarters of the departments and agencies budgets held at or below last year's level.	Restrain spending in non-priority areas.	
Budgets frozen (1984)	26 of 37 departments and agencies budgets held at or below last year's level.	Restrain spending in non-priority areas.	

3. Cost-Containment Initiatives: Employment

Staff reduction (1991)	Elimination of 600 positions in government departments and Crown Corporations over the next two years.	Part of the six-point plan to financial recovery.	352 positions eliminated in the first year. Staff reductions are underway and on target.
Staff reduction (1990)	Size of the civil service frozen for two years.		No material change in the size of the civil service.
Staff reduction (1987)	Elimination of 2,000 positions from the civil service.	Reduce the size of government and the civil service.	1,300 out of the 2,300 positions eliminated in 1986 and 1987 were transferred over to Crown corporations or third parties funded by the government.
(1986)	Civil service reduced by 300 positions		
Elimination of employees (1985)	78 person years eliminated.		

Saskatchewan

4. Cost-Containment Initiatives in the Education Sector

Initiatives	Description	Context/Issues	Results/Assessment
Capped funding increases to third parties. (ie. school boards, universities, SIAST, Regional Colleges and other education institutions) (1991)	Funding increases to all third parties have been capped at 3 per cent for the next two years and at 3.5 per cent for 1991-92.	Announced in the 1991-92 Provincial Budget.	
50 per cent Reduction in EDF Funding (1991)		Reduce spending in selective programs.	Reduced funding of $7.25 million.
Reduction in Scholarship Funding to Universities and Technical Institutes (1990)	In 1991-92, $5.8 million in scholarship funding was eliminated. The remaining $1.7 million was amalgamated with the operating funding to the universities and SIAST.	Funding for undergraduate scholarships was eliminated. The remaining funds (graduate scholarships) are now part of University and SIAST operating funding. This essentially gives the institutions the authority to decide who gets scholarship funding and what the level of funding will be.	

Saskatchewan

4. Cost-Containment Initiatives in the Education Sector (continued)

Initiatives	Description	Context/Issues	Results/Assessment
School Construction Funding (1989)	The provincial school board share of K-12 capital funding reduced from 90:10 to 80:20.	To make school boards more accountable for school capital projects.	Provincial funding for school construction has leveraged more funding from school boards.
Amalgamation of the Department of Education and the Department of Advanced Education (1987)	Both departments were put under one administration in 1987-88.	Improve government efficiency.	Most likely had the desired result.
Major Third Party Grants (1987)	Schools and post-secondary institution grants were held at 0 per cent.	Third party grants are a large part of Provincial spending and must be part of expenditure control.	Grants were held at 0 per cent although some of this was made up in successive years. One university introduced quotas, other education programs were restructured.
Establishment of the Saskatchewan Institute of Applied Science and Technology SIAST (1987)	Four technical institutes and six urban colleges were amalgamated under one administration.	Improve efficiency of technical school education.	Significant cost savings were achieved through reduced staffing overlap and other fixed costs. SIAST was also able to provide a better service.
Establishment of Rural network of rural community colleges (1987)	Rural regional colleges were redesigned to improve co-ordination.	Improve efficiency and co-ordination of programming.	Minimal cost savings but improved service.

Saskatchewan

5. Cost-Containment Initiatives in the Social Services Sector

Initiatives	Description	Context/Issues	Results/Assessment
Saskatchewan Income Plan (welfare) (1988)	Direct billing to department for recipient's utility bills.	Improve efficiency, reduce abuse and speed up payments to provincially owned utilities.	All objectives met.
(1987)	Check pick up for single and childless couples who are employable.		Savings $1 million/year
(1986)	Special Investigations Branch	Investigates fraud and abuse and establishes a control function for the welfare payment process.	Savings $3-$6 million/year
(1984)	Assistance redirected from single employable recipients to the longer-term disadvantaged.	Incentive for single employables to enter the workforce without decreasing overall benefits.	No net savings although long-term disadvantaged receive higher benefits and the total number of individuals on welfare has been reduced.
New Careers Corporation (1984)	Welfare recipients are given jobs with the corporation for 6 month - 1 year periods.	Provide skill-training and work experience for recipients to allow them to enter or re-enter the work force.	Savings may be as high as $53 million/year (department estimate). The corporation builds parks and recreation facilities which is a side benefit.

Saskatchewan

5. Cost-Containment Initiatives in the Social Services Sector (continued)

Initiatives	Description	Context/Issues	Results/Assessment
Sask Works (1985)	Private corporations are subsidized to hire welfare recipients.	Provide skill-training and work experience for recipients to allow them to enter or re-enter the work force.	Savings are indeterminant although some of the welfare recipients taking part in the program have received permanent jobs.
Young Offenders, Child Care and Children's services (on-going)	Service delivery is emphasized at the community level rather than institutions.	Community-based programs are less costly than institutions, more effective and provide a higher quality of life for the individual.	Savings are indeterminant.

Saskatchewan

6. Cost-Containment Initiatives in the Health Sector

Initiatives	Description	Context/Issues	Results/Assessment
Prescription Drug Plan (1991)	Co-payment increased from 20 per cent to 25 per cent. Implemented non-substitution Drug costs are only subsidized to level of the lowest cost of the equivalent drug available.	Control costs of program and curb rising utilization.	Savings estimated as $9.8 million in 1991-92.
Third Party Grants (1991)	Grants to third parties delivering health-care services (hospitals, special care homes etc.) Limited to 3.5 per cent increase in 1991-92, 3.0 per cent in 1992-93 and 1993-94.	Grants to third parties represent almost half of government spending. They must be part of expenditure control.	Savings indeterminant although the status-quo would have resulted in a much higher spending. Some hospitals have closed beds and laid-off staff.
Other Programs (1991)	Numerous other programs were re-structured to provide services at a lower cost at the community level.	Part of the strategy to prevent illnesses and maintain healthy lifestyles instead of simply more health-care.	
Saskatoon Health Services Authority (1990)	Crown corporation established to oversee the three major hospitals in Saskatoon.	Central agency which will be able to co-ordinate, rationalize and reduce overlap service delivery in the hospitals.	Certain health care services have been specialized in one hospital. Overlap has been reduced and quality may have improved.

Saskatchewan

6. Cost-Containment Initiatives in the Health Sector (continued)

Initiatives	Description	Context/Issues	Results/Assessment
Doctor's Fee Schedule (1989)	Utilization Sharing Formula implemented. Province funds 1/3 of utilization increasing above 2 per cent yearly.	Control growth in utilization of doctors' services.	System has not yet adjusted fully. Utilization continues to increase in the 4 per cent to 5 per cent range.
Prescription Drug Plan (1987)	Basic deductible of $125/family/year and 20 per cent co-payment afterward instituted. Previously a flat $3.95 fee was charged for each prescription.	Control costs of the program. Increase personal responsibility for the use of drugs.	Program's overall cost was reduced by one-third.
Plastic (Magnetic) Health Card (1987)	Plastic Health card developed capable of carrying individual health records and of monitoring the overall health system.	As part of records keeping for the change to the Drug Plan. Instant information available to the pharmacist, Drug Plan Administrators and consumers.	Initially only used for the Drug Plan, but has been used in pilot projects at hospitals and immunization centres The card has virtually eliminated abuse of the Drug Plan with its resultant savings. In the long-run, the card may be able to eliminate paper record-keeping and provide instant health information to all professionals.

Alberta

1. Cost-Containment Initiatives: Employment

Initiatives	Description	Results/Assessment
Position Reduction (1991)	Elimination of over 800 full-time equivalent positions.	Since 1985-86, 3,500 positions have been eliminated. The civil service is smaller in 1991-92 than it was in 1978-79.
	Another 200 positions will be reassigned to meet changing priorities.	

2. Cost-Containment Initiatives: Management

Limit spending on general administration (1991)	Budgets for advertising, freight and postage, rental of equipment, general materials and supplies reduced.	Since 1985-86, program expenditure has increased by an average of only 1.6 per cent per year; spending on administration and lower priority programs has been cut by almost $500 million; expenditure on travel and hosting has been cut by 23 per cent.
	Travel and hosting expenditures cut.	
	Equipment and fixed assets purchases reduced. Capital expenditure reduced.	
	Mortgage Interest Shielding and Alberta Family First Home programs discontinued.	
	Budgets of over half the departments and agencies of the government cut in 1991-92.	
Program Cost Reviews (1990)	Identify programs which might be capped, refocussed with smaller budgets or eliminated.	Helped save nearly $400 million in tax expenditures in 1991-92. Other program cost savings.

Alberta

3. Cost-Containment Initiatives in the Education Sector

Initiatives	Description	Results/Assessment
Endowment and Incentive Fund (1991-92)	Reduction in annual allocation for Endowment and Incentive Fund.	
Merger of North Peace Education Consortia with Fairview college (1991-92)		
Grants in support of seniors programs (1991-92)	Elimination of special purpose grants in support of seniors programs.	
Closure of the Alberta Hospital Edmonton School of Nursing (1991-92)		
Economic adjustment of less than inflation (1990-91, 1988-89, and 1984-85)		
Merger of Westerra Institute of Technology with Northern Alberta Institute of Technology (1990-91)		

Alberta

3. Cost-Containment Initiatives in the Education Sector (continued)

Initiatives	Description	Results/Assessment
Formula Funding (1990-91, 1988-89, and 1987-88)	Cut in Formula Funding below level prescribed in formula.	
Canadian Distance Learning Development Centre (1990-91)	Discontinuation of direct financial support to the Canadian Distance Learning Development Centre.	
Supplementary enrolment funding (1990-91)	Supplementary enrolment funding capped at 1989-90 level.	
Institutional operating support (1987-88)	Institutional operating support reduced by 3 per cent from previous year's level of support.	
Creation of Capital Fund (1985-86)	Creation of Capital Fund, resulting in the elimination of direct capital construction funding from General Revenue Fund.	

Alberta

4. Cost-Containment Initiatives in the Social Services Sector

Initiatives	Description	Results/Assessment
Decrease of the institutionalized care of children (1990-91)	This is achieved by increasing both the training and availability of foster parents through larger allowances and an extended training program.	
Support for Independence program (1990-91 and 1991-92)	Personal support services benefits are capped at $3 000 per month and client classification methods are changed.	
Several measures aimed to control social services expenditure have been introduced since 1990-91	Examples: Regional fraud investigation staff was expanded. Centralization of certain administrative services from the Resource Management Services branch in various regions to Edmonton. Tighter controls on emergency food vouchers and medical and financial eligibility in the Assured Income for the Severely Handicapped.	
Shelter allowance for single employables and unemployables (1987-88)	This allowance was reduced from $290 to $190 per month for the first three months of coverage.	Estimated savings were $16.7 million per year.

British Columbia

1. Cost-Containment Initiatives: Wages

Initiatives	Description	Results/Assessment
Compensation Fairness Program (1991)	Program to limit the growth of public sector wage settlement. A Commissioner reviews negotiated wage increases according to the guidelines.	In November, 1991, the new government made changes designed to restore the free collective bargaining process and to increase the employers accountability for negotiating agreements.
Compensation Stabilization Program (1982)	Control and stabilize the levels of compensation in the public sector. A commissioner was responsible for analyzing wage settlement plans and for approving or rejecting them on the basis of the guidelines provided.	

2. Cost-Containment Initiatives: Management

The Restraint Program (1982-87)	Included strict limits on overall ministry expenditures, staff reduction plans, privatization programs and public sector wage controls.	Over this period the rate of growth in provincial expenditures declined sharply, but the province still ran a deficit because of relatively weak revenue growth.
Budget Stabilization Fund (1988)	Created with objective of stabilizing reported budgetary revenues, and avoiding the need in the future to reduce expenditures when revenues and the economy are weak.	Growth in expenditures exceeded growth in revenues beginning in 1989-90, in spite of a strong economy.
Limits on expenditures (1991)	Legislated limits on government spending not to exceed the growth in the economy.	
Mid-term Budget Balance Plan (1991)	Legislated 5-year balanced budget requirement.	

British Columbia

3. Cost-Containment Initiatives in the Education Sector

Initiatives	Description	Results/Assessment
Primary and secondary education funding (budget 1990)	Funding at primary-secondary levels was set on a per-student basis; extra funding for local school boards must come from supplemental property taxes approved by referendum.	

4. Cost-Containment Initiatives in the Health Sector

Physician billing number restrictions (1985)	Restrictions on the number of billing numbers distributed to medical practitioners (without a billing number, a physician would not receive payment from the province for services delivered).	The restriction on billing numbers was subsequently made inoperative in a ruling by the Supreme Court of Canada in August 1988.
Negotiated global cap on billings by physicians (1986-89)	Global "over-billing" by physicians in excess of the cap was to be recovered through reductions in the subsequent fee schedule negotiated with the British Columbia Medical Association.	The restriction on billing numbers, and the cap were effective in controlling utilization of physicians' services from 1986-87 to 1988-89.

Yukon

Cost-Containment Initiatives: General Initiatives

Initiatives	Description	Results/Assessment
Pre-Budget Consultations (1991-92)	Consultations with interest groups and non-government organizations to identify trade-offs and offsets in expenditures.	
Expenditure Control (1991-92)	Zero per cent increase allowed for non-wage component of departmental budgets.	Combined O&M and Capital expenditures budgeted represented a decrease of 3.9 per cent over 1990-91 forecast.
Expenditure Control (1990-91)	Non-wage component of departmental budgets limited to an increase of 3 per cent.	Combined Operating and capital expenditures budgeted represented a decrease of 2.7 per cent from 1989-90 forecast estimates.
Expenditure Control (1989-90)	4 per cent limit set on the salary component and 3.5 per cent limit on non-wage component of departmental budgets.	Combined Operating and Capital budget growth rate kept at 1.5 per cent over forecast 1988-89 levels.
Expenditure Control (1988-89)	- 4 per cent limit set on the salary component and non-wage components of departmental budgets. - Travel, contract services and communications frozen at prior year levels.	
Expenditure Control (1987-88)	Increase in non-wage component of Program budgets restricted to 3 per cent.	O&M budget growth rate (3.3 per cent) kept to below annual rate of inflation.
Wage Freeze (1987-88)	One-year wage freeze for all government employees.	

Northwest Territories

Cost-Containment Initiatives: General Initiatives

Initiatives	Description	Results/Assessment
Ministerial Task Force on Program Review (1985-86)	Task Force was chaired by the Minister of Finance, supported by internal secondees and outside consultants.	Resulted in major review of government funded boards and agencies.
Project to Review the Operation and Structure of Northern Government (1991-92)	Undertook a Project to Review the Operations and Structure of Northern Government, with a mandate to examine government programs, services and structure and recommend ways to increase effectiveness and/or reduce expenditures. Under the direction of the Financial Management Board, the Review Team was composed of senior government managers, outside consultants and community representatives from the major geographic areas and ethnic groups in the NWT.	As of September 1991 the Review Team had completed its field work and was preparing its final report.
Restrictions on Inflationary Increases (1990-91)	Funding adjustments for inflationary increases were restricted to non-controllable statutory or contractual program areas.	Approximately $5 million.
Capital Budget Reduction (1990-91)	Capital expenditure plan reduced by 5 per cent.	Approximately $5 million.
Reductions in Transfers (1990-91)	Implemented a 2 per cent across-the-board reduction to every contribution program provided by the government, i.e., to funding for municipalities and boards and agencies such as school boards and hospital boards. The reduction was based on what the contribution recipients would otherwise have been entitled to under the terms of the contribution program. As a result, this measure did not necessarily mean a year-over-year reduction in the contribution, nor did it apply to grant programs such as the Home Owners' Property Tax Rebate.	Reduced expenditures by approximately $5 million from what they otherwise would have been.

Northwest Territories

Cost-Containment Initiatives: General Initiatives (continued)

Initiatives	Description	Results/Assessment
Person-Year Reductions (1990-91)	Implemented a 3 per cent across-the-board reduction to each department's person-year and salary base total.	Reduction of approximately 80 person-years and $5 million.
Temporary Expenditure Management Measures (1988-89)	A number of temporary measures implemented: - Ministerial approval required for all staff requisitions and new positions; - special restrictions on aircraft chartering (significant item in NWT); - Ministerial approval required for all staff duty travel outside the NWT.	
Restrictions on Inflationary increases (1988-89)	Departmental budgets were adjusted for inflation only after a price change had occurred, and only if the increase could be directly related back to a specific program. Automatic incorporation of inflationary expenditure growth estimates in departments' budgets was eliminated. Inflationary increases were budgeted for in a supplementary reserve. Departments were required to demonstrate the actual impact of inflation on their expenditure requirements.	Has resulted in significant savings. (Approximately $30 to $40 million over four years).
Restrictions on Person-Year Growth (1988-89)	Government set a target of zero person-year growth (exclusive of program transfers from the federal government).	Target was achieved. Person year growth in following three years averaged only 1 per cent per year.

Northwest Territories

Cost-Containment Initiatives: General Initiatives (continued)

Initiatives	Description	Results/Assessment
Financial Management Training Program (1986-87)	A new management training program was introduced in order to increase the financial knowledge and skills of managers.	Program has received positive comments from managers and has resulted in a more thorough understanding of financial management requirements throughout government.
Employee Suggestion Awards Program (1985-86)	Cash awards are made to employees who suggest ways to decrease expenditures.	The program has yielded mixed results and is currently undergoing an evaluation.
Managing for Results Systems (1985-86)	Every department was required to implement a Managing for Results System (MFRS) based on Financial Management Board approved criteria and guidelines. The MFRS were designed to increase government efficiency and effectiveness by clarifying, co-ordinating and quantifying departmental goals and objectives, and by improving management's accountability and focus on achieving results.	Implementation of the MFRS has had varying degrees of effectiveness across government.